

STATE OF THE STATE ADDRESS
GOVERNOR CHRISTOPHER S. BOND

JANUARY 11, 1983

LIEUTENANT GOVERNOR ROTHMAN, MR. SPEAKER, MR. PRESIDENT PRO TEM,
DISTINGUISHED STATE OFFICIALS, MEMBERS OF THE JUDICIARY, LADIES
AND GENTLEMEN OF THE 82ND GENERAL ASSEMBLY, REVEREND CLERGY
AND FELLOW MISSOURIANS:

BY ALL ACCOUNTS, 1982 WAS ONE OF THE MOST EVENTFUL YEARS
IN THE HISTORY OF STATE GOVERNMENT. IT WAS SOMETIMES JOYFUL
AND SOMETIMES TRAGIC; SOMETIMES UPLIFTING AND SOMETIMES DISAPPOINTING.
MY PURPOSE TODAY, IN DISCUSSING THE STATE OF OUR GREAT STATE, IS
TO PROVIDE A BRIEF REVIEW OF 1982 AND, MORE IMPORTANT, A
VISION FOR 1983 AND BEYOND.

LET ME BEGIN BY EXTENDING A SPECIAL WELCOME TO THE MANY
NEW FACES IN THE GENERAL ASSEMBLY. FORTY-THREE HOUSE MEMBERS
AND FIVE SENATORS -- SOME OF WHOM HAVE BEEN WELL-TRAINED BY
PREVIOUS HOUSE EXPERIENCE -- HAVE JOINED US AT A VERY CHALLENGING
TIME.

ON THE ONE HAND, YOU HAVE TAKEN THE PLACES OF MEMBERS OF
THE 81ST GENERAL ASSEMBLY, WHICH I WOULD CHARACTERIZE -- FOR
A NUMBER OF REASONS -- AS A "HARD ACT TO FOLLOW." WHILE THIS
ADMINISTRATION HAS NOT GOTTEN EVERYTHING IT WANTED FROM THE
LEGISLATURE, THERE IS NO DOUBT THAT WE HAVE ENJOYED EXCELLENT
LEGISLATIVE RELATIONS AND, BY WORKING TOGETHER, HAVE ACCOMPLISHED
MUCH.

THERE IS ALSO NO QUESTION THAT I HAVE BENEFITTED GREATLY FROM THE SOUND ADVICE WHICH YOUR LEADERS HAVE PROVIDED ME ON MANY OCCASIONS DURING THESE PAST TWO YEARS.

ON THE OTHER HAND, YOU NEW MEMBERS HAVE ENTERED OR EXTENDED YOUR CAREER IN STATE SERVICE AT A TIME OF GREAT CHALLENGE.

THE RECESSION, WHICH HAS PLAGUED US SINCE THE OUTSET OF THIS TERM, HAS CONTINUED AND DEEPENED. FOR THE THIRD STRAIGHT YEAR STATE GOVERNMENT FACES BUDGET SHORTAGES SO SEVERE THAT SAYING "NO" TO WORTHWHILE REQUESTS WILL SORELY TEST EVEN THE MOST COURAGEOUS OF US. AND, SADLY, YOUR TERMS BEGIN WHEN THOUSANDS OF OUR FELLOW MISSOURIANS ARE ONLY NOW BEGINNING TO DIG OUT FROM UNDER THE RAVAGES OF RECENT FLOODING AND HAZARDOUS WASTE CRISES.

WHILE THE HOMES AND FARMS AND BUSINESSES AND DREAMS OF SO MANY OF OUR FRIENDS AND NEIGHBORS HAVE BEEN CRUSHED, I STILL BELIEVE THE BASIC SPIRIT OF OUR PEOPLE IS UNBROKEN. I BELIEVE 1983 IS A YEAR OF HOPE. AND I BELIEVE, AFTER YOU HAVE HAD AN OPPORTUNITY TO REFLECT ON THE PROPOSALS I WILL PRESENT TO YOU TODAY, THAT YOU WILL AGREE.

EXTENDING A STRONG HELPING HAND TO THE VICTIMS OF THE DEVASTATION AND DESPERATION WHICH HAVE STRUCK MISSOURI THESE PAST FEW MONTHS MUST BE THE FIRST ORDER OF BUSINESS FOR THE 82ND GENERAL ASSEMBLY.

WIDESPREAD FLOODING HAS KILLED TEN OF OUR PEOPLE, DESTROYED OR DAMAGED SOME SIX THOUSAND HOMES, AND CAUSED MILLIONS OF DOLLARS IN PROPERTY DAMAGE. TO MAKE MATTERS WORSE,

EXPERTS ALMOST DAILY CONTINUE TO DISCOVER NEW AND MORE DANGEROUS INFORMATION ABOUT THE DEADLY CHEMICAL, DIOXIN.

WITH RESPECT TO FLOOD RELIEF, STATE GOVERNMENT HAS A KEY ROLE TO PLAY IN FINANCING IMMEDIATE ASSISTANCE FOR INDIVIDUALS AND FAMILIES. THESE GRANTS ARE A COOPERATIVE FEDERAL-STATE EFFORT OF WHICH THE STATE MUST PAY 25 PERCENT. TO DO OUR PART, I URGE IMMEDIATE APPROPRIATION OF \$2.9 MILLION IN STATE MATCHING FUNDS FOR THE VICTIMS OF 1982 FLOODING IN WESTERN, EASTERN AND SOUTHEASTERN MISSOURI.

WITH RESPECT TO DIOXIN, I AM CONVINCED THAT MISSOURI FACES A VERY REAL CRISIS. NOT ONLY DOES THIS CHEMICAL PRESENT A GENUINE HEALTH HAZARD TO MANY MISSOURIANS, BUT IT ALSO HAS THE POTENTIAL -- IF NOT PROPERLY HANDLED -- TO GENERATE PUBLIC HYSTERIA.

NOW IS THE TIME FOR RESPONSIBLE LEADERSHIP TO PROVIDE THE PEOPLE WITH HONEST, STRAIGHT-FORWARD ANSWERS AND A PLAN OF ACTION TO COMBAT DIOXIN IN A WAY THAT WILL LOWER PUBLIC ANXIETY AND LEAD TO LONG-RANGE, PERMANENT SOLUTIONS. BEFORE SETTING FORTH MY PLAN OF ACTION, LET ME TAKE A FEW MINUTES TO SUMMARIZE THE EVENTS OF RECENT WEEKS WHICH, TAKEN TOGETHER, LEAD ME TO BELIEVE WE FACE A DIOXIN CRISIS.

AFTER MONTHS OF WRESTLING WITH THE FEDERAL GOVERNMENT, SOMETIMES SUCCESSFULLY AND SOMETIMES NOT, ON DECEMBER 8 I WENT TO WASHINGTON AND MET PERSONALLY WITH TOP EPA OFFICIALS. THAT MEETING GAVE US THE INFORMATION WE NEED TO TAKE ACTION TO PROTECT THE HEALTH AND SAFETY OF THE PEOPLE OF JEFFERSON COUNTY.

WE FINALLY LEARNED THAT EPA'S TESTS SHOWED THAT THERE WERE LEVELS OF DIOXIN PRESENT IN JEFFERSON COUNTY WHICH THE EXPERTS BELIEVED COULD CAUSE HEALTH RISKS.

AS A RESULT, ON DECEMBER 8 I ORDERED THAT THE STATE PROVIDE FOR TEMPORARY RELOCATION OF FAMILIES AT THE MINKER SITE AND THAT THE DIVISION OF HEALTH BEGIN MEDICAL EVALUATIONS OF INDIVIDUALS WHO MAY HAVE BEEN EXPOSED TO DIOXIN. I ALSO REITERATED MY REQUEST THAT THE EPA SUPERFUND BE USED TO FIND A PERMANENT SOLUTION TO THE CONTAMINATION OF THESE AREAS, AND THAT EPA ACCELERATE ITS TESTING PROCESS ON SAMPLES FROM THROUGHOUT MISSOURI.

ON DECEMBER 10, I ORDERED THAT THE DEPARTMENT OF NATURAL RESOURCES AND THE DIVISION OF HEALTH UNDERTAKE A JOINT INVESTIGATION OF THE HISTORY OF EVENTS SURROUNDING DIOXIN IN MISSOURI FROM 1971 TO THE PRESENT AND THAT THEY PROVIDE ME WITH A FULL REPORT. THIS REPORT WAS COMPLETED ON THE EVENING OF DECEMBER 22 AND WAS MADE AVAILABLE TO THE PUBLIC THE NEXT MORNING. BASED ON MY INITIAL REVIEW OF THAT REPORT, I HAVE NOW ORDERED THESE TWO AGENCIES TO REVIEW THIS FACTUAL HISTORY CAREFULLY AND GIVE ME A REPORT WHICH SETS FORTH THE CIRCUMSTANCES SURROUNDING ANY FAILURE ON THE PART OF ANY STATE OFFICIAL TO TAKE APPROPRIATE ACTION AT THE APPROPRIATE TIME WITH RESPECT TO DIOXIN-RELATED MATTERS IN MISSOURI. I BELIEVE THE PEOPLE OF MISSOURI HAVE A RIGHT TO KNOW ALL THERE IS TO KNOW ABOUT THE DANGERS OF DIOXIN AND THE STATE'S EFFORTS TO DEAL WITH THOSE DANGERS.

AS YOU KNOW, THE HEAVY RAINS OF DECEMBER ADDED ANOTHER AND MORE VOLATILE DIMENSION TO THE DIOXIN PROBLEM. TIMES BEACH, THE SITE OF EPA TESTING FOR DIOXIN ON ROADBEDS, WAS VIRTUALLY DESTROYED BY SAVAGE FLOODING. AS THE FLOOD WATERS RECEDED, ON DECEMBER 23 THE CENTERS FOR DISEASE CONTROL ADVISED US THAT PRE-FLOOD TEST SAMPLES SHOWED LEVELS OF DIOXIN THAT COULD BE DANGEROUS. THE CDC RECOMMENDED, BECAUSE OF THE UNCERTAINTIES LEFT BEHIND IN THE MUD AND DEBRIS FROM THE FLOOD, THAT NON-EMERGENCY CLEANUP ACTIVITIES IN TIMES BEACH CEASE; THAT RESIDENTS WHO HAD BEEN TEMPORARILY RELOCATED STAY OUT; AND THAT RESIDENTS WHO HAD ALREADY BEGUN TO MOVE BACK IN, LEAVE.

THAT DAY, AT MY REQUEST, THE EPA AGREED TO SEND IN NEW TESTING TEAMS TO CONDUCT POST-FLOOD DIOXIN TESTS. THE FEDERAL DISASTER ASSISTANCE CENTER IN FENTON AGREED TO REOPEN ON DECEMBER 27 AND STAY OPEN AS LONG AS NECESSARY TO HELP TIMES BEACH RESIDENTS RELOCATE. I THEN DIRECTED THE DEPARTMENT OF PUBLIC SAFETY AND DIVISION OF HEALTH TO GO TO TIMES BEACH AND ASSIST WITH LAW ENFORCEMENT AND PUBLIC HEALTH ACTIVITIES.

SINCE THAT TIME, STATE OFFICIALS HAVE BEEN WORKING AS THEY COULD WITH A VARIETY OF FEDERAL AND LOCAL OFFICIALS TO ASSIST WITH RELOCATION PLANS, TEST SAMPLING AND CLEAN-UP ACTIVITIES. AS WE DEVELOPED A SOLUTION TO THE FLOOD DEBRIS PROBLEM IN TIMES BEACH, HOWEVER, AND AS WE CONTINUED TO URGE THE EPA TO SPEED-UP ITS TESTING, IT BECAME CLEAR THAT FRAGMENTED FEDERAL RESPONSIBILITY WAS BECOMING A SUBSTANTIAL IMPEDIMENT TO BOTH EMERGENCY RESPONSES AND LONG TERM SOLUTIONS.

THEREFORE, LAST THURSDAY, I WROTE THE PRESIDENT TO ASK THAT HE IMMEDIATELY ESTABLISH A FEDERAL TASK FORCE REPRESENTING ALL APPROPRIATE AGENCIES AND THAT HE DESIGNATE A SINGLE FEDERAL AGENCY AND OFFICIAL TO TAKE THE LEAD RESPONSIBILITY IN TIMES BEACH. I AM DELIGHTED TO REPORT THAT THE PRESIDENT THAT SAME DAY APPOINTED A FEDERAL COORDINATING GROUP AND NAMED LEE THOMAS OF THE FEDERAL EMERGENCY MANAGEMENT AGENCY AS CHAIRMAN. MR. THOMAS AND I VISITED TIMES BEACH AND HAD DISCUSSIONS THERE AND IN ST. LOUIS LAST SATURDAY. I AM CONVINCED THAT THIS CENTRALIZED FEDERAL EFFORT WILL BE REQUIRED TO FIND A LONG-TERM SOLUTION TO THE PROBLEMS OF TIMES BEACH.

UNFORTUNATELY, THE MISSOURI DIOXIN PROBLEM DOES NOT STOP WITH TIMES BEACH OR JEFFERSON COUNTY OR VERONA. BECAUSE HAZARDOUS WASTE GENERATORS AND HAULERS WERE UNREGULATED FOR SO MANY YEARS IN MISSOURI, THE PROBLEM OF DIOXIN AND OTHER HAZARDOUS CHEMICALS IS LIKELY TO REAPPEAR THROUGHOUT MISSOURI, AS IT WILL THROUGHOUT THE NATION, FOR YEARS TO COME. AS A RESULT, LAST FRIDAY I WROTE THE EPA AND REQUESTED THAT ALL MISSOURI DIOXIN SITES BE CONSIDERED TOGETHER FOR EPA SUPERFUND PURPOSES. I BELIEVE THIS IS THE ONLY WAY THAT OUR DIOXIN CRISIS WILL RECEIVE THE ATTENTION IT DESERVES FROM THE FEDERAL GOVERNMENT.

BEFORE IT IS ALL OVER, I BELIEVE MISSOURI WILL EMERGE AS A NATIONAL LEADER IN THE EFFORT TO ERADICATE THE DANGERS OF DIOXIN. THIS IS NOT A TIME FOR EMPTY RHETORIC AND ALARMIST NEWS CONFERENCES. THOSE APPROACHES SIMPLY SCARE OUR PEOPLE AND DO NOTHING TO PROTECT THE PUBLIC HEALTH AND SAFETY.

RATHER, THIS IS A TIME FOR STRONG, RESPONSIBLE LEADERSHIP. THE COMPLEX PROBLEMS ASSOCIATED WITH DIOXIN AND OTHER HAZARDOUS WASTES WILL NOT GO AWAY QUICKLY, BUT I BELIEVE THE FOLLOWING ACTIONS REPRESENT THE BASIC COMMITMENTS OUR STATE MUST MAKE:

1. I PROPOSE IMMEDIATE APPROPRIATION OF \$1 MILLION FOR STATE MATCH OF FEDERAL SUPERFUND MONIES AND FOR RELOCATION OF FAMILIES AND CLEAN-UP ACTIVITIES;
2. I PROPOSE THAT WE IMMEDIATELY ADD FIVE NEW ENVIRONMENTAL HEALTH OFFICERS TO THE DIVISION OF HEALTH AND TWO MORE ENVIRONMENTAL HEALTH OFFICERS NEXT YEAR; AND,
3. I PROPOSE THAT WE IMMEDIATELY ADD A HAZARDOUS WASTE CRIMINAL INVESTIGATOR AND THREE ENVIRONMENTAL LANDFILL SPECIALISTS TO THE DEPARTMENT OF NATURAL RESOURCES;
4. I PROPOSE THAT YOU ADOPT LEGISLATION ESTABLISHING A "MISSOURI SUPERFUND" BY INCREASING FEES ON HAZARDOUS WASTE GENERATORS, TRANSPORTERS, AND WASTE SITE OPERATORS. CREATION OF THIS STATE SUPERFUND, AS AN EXTENSION OF OUR EXISTING HAZARDOUS WASTE FUND, WILL PUT MISSOURI IN A FAR BETTER POSITION TO DEAL WITH THE HAZARDOUS WASTE PROBLEMS WHICH WE KNOW WE WILL FACE IN THE YEARS AHEAD; AND
5. I WILL IN THE NEAR FUTURE ANNOUNCE FORMATION OF A GOVERNOR'S TASK FORCE, COMPOSED OF SCIENTIFIC EXPERTS AND CONCERNED CITIZENS, TO WORK WITH

STATE AND FEDERAL AGENCIES TO DEVELOP A
COMPREHENSIVE AND PERMANENT SOLUTION, TO THE
DIOXIN CRISIS IN MISSOURI.

ONE MORE IMPORTANT POINT SHOULD BE MADE ABOUT DIOXIN.
DESPITE ALL THE HEADLINES AND ALL THE INTERVIEWS ABOUT THE
BICKERING BETWEEN GOVERNMENT AGENCIES AND THE STRIFE BETWEEN
FRUSTRATED AND ANGRY CITIZENS, LET US NOT FORGET THE QUIET AND
HARD-WORKING MISSOURIANS WHO HAVE HAD THEIR LIVES AND THEIR
DREAMS DESTROYED BY THESE FORCES BEYOND THEIR CONTROL. WHEN
THE ROAR HAS SUBSIDED AND THE BRIGHT LIGHTS HAVE GONE, LET'S
MAKE SURE WE REMEMBER THOSE WHO TRULY NEED OUR HELP BUT ARE
OFTEN TOO PROUD TO DEMAND IT.

THE STATE FACES A NUMBER OF SIGNIFICANT CHALLENGES BEYOND
THESE NATURAL AND MAN-MADE EMERGENCIES.

FIRST AND FOREMOST AMONG THEM IS THE CONDITION OF OUR
STATE'S ECONOMY. THESE ARE DIFFICULT TIMES FOR US AS AMERICANS
AND AS MISSOURIANS. THE CONTINUING RECESSION HAS CAUSED GREAT
PAIN FOR OUR PEOPLE. RECORD NUMBERS OF MISSOURIANS HAVE LOST
THEIR JOBS, AND MANY HAVE LOST THEIR HOMES OR FARMS. OUR
FAMILIES ARE HURTING.

STATISTICALLY, MISSOURI HAS BEEN HIT LESS HARD THAN SOME
STATES; BUT WE CAN TAKE LITTLE COMFORT IN THAT. AT A TIME
WHEN STATE GOVERNMENT SHOULD BE DOING ALL IT CAN TO HELP OUR
PEOPLE, THE CONTINUING ECONOMIC DOWNTURN HAS SERIOUSLY ERODED
OUR ABILITY TO DO SO.

UNEMPLOYED MISSOURIANS REACH OUT FOR THE TRAINING, THE SKILLS, THE KNOWLEDGE TO HELP THEM FILL THE JOBS OF THE 1980's AND 1990's.

THE CHILDREN AND THE INFIRM ELDERLY OF MISSOURI -- THOSE WHO ARE THE MOST INNOCENT AND THE LEAST ABLE TO HELP THEMSELVES -- ARE IN NEED OF IMPROVED STATE SERVICES.

CRIME CONTINUES TO REACH EPIDEMIC PROPORTIONS, SO WE CONTINUE TO PUSH FOR MORE CONVICTIONS AND LONGER SENTENCES. BUT OUR PRISONS ARE ALREADY BULGING, AND MANY INMATES MUST BE RELEASED EARLY.

CAN WE TACKLE THESE CHALLENGES -- AND MAKE GOVERNMENT WORK -- WITHOUT A GENERAL TAX INCREASE? YOU BET WE CAN. I KNOW WE CAN BECAUSE I KNOW WE HAVE. OUR ACHIEVEMENTS IN 1982 SHOW THE WAY.

WHILE MANY OTHER STATES FRETTED ABOUT THE NATIONAL ECONOMY AND LOOKED ONLY TO WASHINGTON FOR RELIEF, WE HERE IN MISSOURI TOOK BOLD ACTION TO HELP OURSELVES.

LAST JANUARY, I URGED THE GENERAL ASSEMBLY TO ADOPT A BROAD PROGRAM OF ECONOMIC DEVELOPMENT INITIATIVES. ALL OF THEM WERE APPROVED. ALL OF THEM WERE APPROVED BECAUSE YOU RECOGNIZED THEN, AS YOU DO NOW, THAT MISSOURI'S MOST URGENT NEED IS CREATION OF GOOD JOBS. THANKS TO YOUR EFFORTS, WE NOW HAVE:

1. A MAJOR NATIONAL ADVERTISING PROGRAM TO ATTRACT BUSINESS AND INDUSTRY AND A STATE OFFICE IN TOKYO TO ENCOURAGE JAPANESE INVESTMENT IN MISSOURI AND PURCHASE OF OUR PRODUCTS;
2. AN ENTERPRISE ZONE ACT TO REVITALIZE DISTRESSED AREAS;
3. AN ECONOMIC DEVELOPMENT ACT TO GUARANTEE LOANS TO JOB-PRODUCING BUSINESSES;

4. AN INDUSTRIAL DEVELOPMENT FUNDING AUTHORITY TO PROVIDE LOW-INTEREST LOANS TO LOCAL DEVELOPMENT AGENCIES; AND,
5. A RESEARCH ASSISTANCE ACT TO PROVIDE HIGH TECHNOLOGY CHALLENGE GRANTS TO OUR COLLEGES AND UNIVERSITIES.

I BELIEVE THE MOST SIGNIFICANT ACCOMPLISHMENT OF 1982, HOWEVER, WAS ENACTMENT BY THE PEOPLE OF CONSTITUTIONAL AMENDMENT NO. 1 LAST JUNE. AT A TIME WHEN OTHER STATES WERE RETRENCHING, MISSOURI MOVED FORWARD WITH THE BOLDEST PUBLIC WORKS PROGRAM IN OUR HISTORY.

THE \$600 MILLION IN BONDS AUTHORIZED BY AMENDMENT NO. 1 WILL BE USED TO FINANCE CRITICALLY-NEEDED STATE CONSTRUCTION PROJECTS, HELP LOCAL COMMUNITIES WITH ECONOMIC DEVELOPMENT PROJECTS, AND CREATE THOUSANDS OF JOBS NOW, WHEN WE NEED THEM MOST.

THERE WERE ALSO IMPORTANT SUCCESSES IN 1982 WHICH ADDRESSED ESSENTIAL HUMAN NEEDS, INCLUDING YOUR APPROVAL OF AN ADDITIONAL \$4 MILLION FOR CHILDREN'S PROGRAMS, EXPANSION OF OUR SILVER CITIZEN DISCOUNT CARD PROGRAM FOR THE ELDERLY, STRENGTHENING OF OUR CRIMINAL LAWS AND MUCH, MUCH MORE. ALL OF THESE WERE ACCOMPLISHED, I REMIND YOU, WITHOUT A GENERAL TAX INCREASE.

IT IS THESE SUCCESSES -- IN A TIME OF UNPRECEDENTED FISCAL RESTRAINT -- THAT LEAD ME TO BELIEVE THAT 1983 IS A YEAR OF HOPE. I BASE THIS FEELING OF HOPE IN PART ON THIS: A COMPREHENSIVE "AGENDA FOR PROGRESS" FOR 1983 AND BEYOND.

COPIES OF THIS BOOKLET WILL BE AVAILABLE TO YOU THIS AFTERNOON. I ENCOURAGE YOU TO REVIEW IT CAREFULLY, BECAUSE IT SUMMARIZES MY PRIORITY BUDGET AND LEGISLATIVE PROPOSALS FOR THIS YEAR.

I HAVE ALREADY DESCRIBED MY EMERGENCY RESPONSE PROPOSALS TO THE FLOODING AND HAZARDOUS WASTE THREATS IN MISSOURI. THE NEXT MOST ESSENTIAL ORDER OF BUSINESS FOR US IS STIMULATION OF OUR ECONOMY.

PROCEEDING "FULL SPEED AHEAD" WITH THE AMENDMENT NO. 1 BOND ISSUE PROCESS IS THE SINGLE MOST IMPORTANT THING WE CAN DO TO CREATE JOBS IN MISSOURI. I PROPOSE THAT YOU AUTHORIZE FOR FISCAL YEAR 1984 \$225 MILLION OF ADDITIONAL PROJECTS. THAT IS THREE TIMES AS MUCH AS WE AUTHORIZED LAST AUGUST FOR FISCAL YEAR 1983. IT WILL BRING THE TOTAL AUTHORIZATION TO \$300 MILLION, ONE-HALF OF THE TOTAL ALLOWED BY AMENDMENT NO. 1.

MY REASONS FOR PROPOSING THIS GREATLY-ACCELERATED BOND AUTHORIZATION ARE SIMPLE AND STRAIGHTFORWARD:

FIRST, WE NEED A COMPREHENSIVE JOBS AND ECONOMIC DEVELOPMENT PROGRAM IN MISSOURI NOW MORE THAN ANY TIME SINCE THE GREAT DEPRESSION;

SECOND, THE PROJECTS MADE POSSIBLE BY AMENDMENT NO. 1 WILL IMPROVE OUR QUALITY OF LIFE AND HELP US ATTRACT NEW JOBS TO MISSOURI;

THIRD, THE DEBT RETIREMENT COST FOR THIS ACCELERATED ISSUANCE WILL ACTUALLY BE LESS THAN WE ORIGINALLY PROJECTED FOR A MORE MODEST ISSUANCE OF \$100 MILLION; AND

FOURTH, WE CAN STRETCH OUR DOLLARS FURTHER BECAUSE CONSTRUCTION COSTS WILL NEVER BE LOWER THAN DURING THIS PROLONGED RECESSION.

THOSE WHO SAY WE MUST "WAIT AND SEE" IF THE ECONOMY IMPROVES BEFORE WE ISSUE MORE BONDS MISS THE POINT; THESE BONDS WILL HELP THE ECONOMY AND ARE A SOUND INVESTMENT NOW. THOSE WHO SAY WE MUST RAISE TAXES TO RETIRE THESE BONDS ARE SIMPLY WRONG; I HAVE PROPOSED A SENSIBLE, BALANCED BUDGET -- WHICH TAKES INTO ACCOUNT ALL DEBT RETIREMENT COSTS AND PROVIDES FOR ALL ESSENTIAL STATE SERVICES AND PRESERVES OUR FISCAL INTEGRITY -- BUT DOES NOT INCLUDE ANY KIND OF TAX INCREASE FOR ANYONE.

WHILE ACCELERATION OF PHASE II OF THE BOND ISSUE IS ESSENTIAL, THERE IS ALSO NO QUESTION THAT A MORE FAR-REACHING APPROACH WILL BE NEEDED TO MEET THE ECONOMIC CHALLENGES OF THE 1980'S. WE MUST RETOOL MUCH OF OUR ECONOMY AND RETRAIN THOUSANDS OF OUR WORKERS IF WE ARE TO COMPETE SUCCESSFULLY IN THE MARKETPLACE OF THE FUTURE. WE MUST ALSO TAKE SPECIAL CARE, AS WE EMBARK ON THIS MODERNIZATION OF OUR ECONOMIC BASE, TO INSURE THAT WOMEN AND MINORITIES ARE GIVEN THEIR FAIR SHARE OF RETRAINING OPPORTUNITIES.

SPECIFICALLY, I RECOMMEND THAT YOU:

FIRST, ADOPT THE "CUSTOMIZED TRAINING ACT OF 1983" TO HELP OUR JUNIOR AND COMMUNITY COLLEGES PROVIDE WORKER TRAINING PROGRAMS FOR THE JOBS OF THE FUTURE;

SECOND, INCREASE THE APPROPRIATION FOR THE INDUSTRY TRAINING ADULT EDUCATION PROGRAM IN THE DEPARTMENT OF EDUCATION SO THAT WE CAN CONTINUE AND EXPAND OUR EFFORTS TO STRENGTHEN THE AUTOMOTIVE INDUSTRY IN MISSOURI;

THIRD, ADOPT LEGISLATION CREATING A "MISSOURI CORPORATION FOR SCIENCE AND TECHNOLOGY" TO ALLOW OUR STATE TO COORDINATE AND MARSHALL OUR ECONOMIC AND ACADEMIC RESOURCES TO ATTRACT AND DEVELOP HIGH TECHNOLOGY INDUSTRIES AND JOBS FOR THE FUTURE.

THE CONTINUING BUDGET AND CASH FLOW PROBLEMS OF OUR STATE MUST BE YOUR NEXT HIGHEST PRIORITY.

THE FISCAL YEAR 1984 BUDGET I AM PRESENTING TO YOU TODAY IS BALANCED, BUT IT MERELY MAINTAINS OUR CURRENT LEVEL OF CASH FLOW RESERVE. SIMPLY PUT, THAT MEANS WE WILL VERY LIKELY FACE ANOTHER YEAR OF CASH FLOW PROBLEMS AS BAD OR WORSE THAN THIS YEAR, UNLESS YOU TAKE SWIFT ACTION.

I AM PROPOSING TWO COURSES OF ACTION TO MEET OUR CONTINUING BUDGET CHALLENGES, NEITHER ONE OF WHICH INVOLVES A TAX INCREASE. THE FIRST IS A SERIES OF CASH FLOW MEASURES AND THE SECOND IS A SERIES OF REVENUE COLLECTION IMPROVEMENTS.

WITH RESPECT TO OUR CASH FLOW PROBLEMS, I RECOMMEND THAT YOU RAPIDLY ENACT:

A JOINT RESOLUTION ALLOWING THE PEOPLE OF MISSOURI TO ESTABLISH A CONSTITUTIONALLY-PROTECTED STATE CASH FLOW RESERVE;

A JOINT RESOLUTION ENABLING THE TREASURER TO EXPAND THE SCOPE OF STATE INVESTMENTS; AND

LEGISLATION ALLOWING US TO CONSOLIDATE HUNDREDS OF SMALL SEPARATE FUNDS INTO SEPARATE GENERAL REVENUE ACCOUNTS FOR CASH FLOW PURPOSES.

AS THE SPEAKER POINTED OUT IN HIS ADDRESS TO YOU LAST WEDNESDAY, THIS CASH MANAGEMENT PACKAGE HAS BEEN DEVELOPED OVER SEVERAL MONTHS THROUGH CLOSE COOPERATION BETWEEN THE SELECT HOUSE REVENUE COMMITTEE, SENATE LEADERS, THE STATE TREASURER AND THE OFFICE OF ADMINISTRATION. IT IS A STRONG BI-PARTISAN EFFORT TO SOLVE THE LONG-TERM CASH FLOW PROBLEMS OF THE STATE, AND IT DESERVES YOUR IMMEDIATE ATTENTION.

THE SECOND COURSE OF ACTION I PROPOSE IS A SET OF REVENUE COLLECTION IMPROVEMENTS WHICH CAN PRODUCE MORE THAN \$55 MILLION IN FISCAL YEAR 1984, WITHOUT A TAX INCREASE. THE DETAILS OF THIS PACKAGE TO CRACKDOWN ON TAX EVADERS, SPEED-UP SALES TAX COLLECTIONS, MODERNIZE EQUIPMENT FOR THE DEPARTMENT OF REVENUE, AND PUT ITS EMPLOYEES UNDER THE MERIT SYSTEM, ARE SET FORTH IN THE "AGENDA FOR PROGRESS" BOOKLET.

NO STATE OF THE STATE ADDRESS WOULD BE COMPLETE WITHOUT A DISCUSSION OF OUR MOST IMPORTANT BUDGET RESPONSIBILITY: PUBLIC EDUCATION. I AM ABSOLUTELY DELIGHTED -- IN A TIME OF RECESSION AND AUSTERITY AT ALL LEVELS OF GOVERNMENT -- THAT THE PEOPLE OF MISSOURI DECIDED LAST NOVEMBER TO INCREASE THE STATE SALES TAX TO HELP OUR PUBLIC SCHOOLS. I BELIEVE THIS ACTION SHOWS THAT THE VOTERS ARE COMMITTED, AS WE ARE TO IMPROVING PUBLIC EDUCATION.

I AM PLEASED TO HAVE PLAYED A PART IN THE PASSAGE OF PROPOSITION C, AND I BELIEVE IT IS ESSENTIAL THAT YOU ENACT AN EMERGENCY APPROPRIATION TO GET AN ESTIMATED \$77 MILLION

FROM IT TO THE SCHOOLS AS SOON AS POSSIBLE THIS YEAR. I ALSO BELIEVE IT IS ESSENTIAL TO REMEMBER THAT PROPOSITION C FUNDS ARE INTENDED AS A SUPPLEMENT, NOT A REPLACEMENT, FOR CONTINUING STRONG STATE SUPPORT FOR LOCAL SCHOOLS.

IN FISCAL YEAR 1984, FOR THE FIRST TIME IN OUR HISTORY, STATE AID TO LOCAL SCHOOLS WILL BE MORE THAN ONE BILLION DOLLARS. I BELIEVE THAT BENCHMARK IS SIGNIFICANT AND THAT ALL WHO HAVE HELPED MAKE IT POSSIBLE SHOULD BE PROUD. I ALSO BELIEVE THAT THIS HUGE FUNDING COMMITMENT CARRIES WITH IT AN IMPLIED COMMITMENT ON THE PART OF MISSOURI EDUCATORS TO DO ALL THAT IS POSSIBLE TO IMPROVE QUALITY AND ACCOUNTABILITY IN PUBLIC EDUCATION.

TO IMPROVE EDUCATIONAL QUALITY, I AGAIN THIS YEAR RECOMMEND LEGISLATION TO ESTABLISH VOLUNTARY PROGRAMS OF DEVELOPMENTAL SCREENING FOR YOUNG CHILDREN AND VOLUNTARY PARENT ASSISTANCE PROGRAMS THROUGH OUR PUBLIC SCHOOLS. TO IMPROVE ACCOUNTABILITY, I BELIEVE IT IS ESSENTIAL THAT WE STRENGTHEN OUR STUDENT TESTING PROGRAMS AND ELIMINATE LIFETIME TEACHING CERTIFICATES FOR TEACHERS.

NO MATTER HOW TIGHT OUR BUDGET GETS, WE MUST NEVER FORGET THOSE WHO NEED US MOST: ABUSED, NEGLECTED CHILDREN, AND SICK, LONELY OLDER MISSOURIANS. WHILE WE MADE SIGNFICANT STRIDES IN 1982, MUCH REMAINS TO BE DONE. ON BEHALF OF OUR CHILDREN, I PROPOSE ESTABLISHMENT OF A CHILDREN'S TRUST FUND, CREATION OF A SEPARATE DIVISION OF CHILDREN AND YOUTH SERVICES, AND A \$2 MILLION PROGRAM TO FIGHT CHILD ABUSE AND NEGLECT. FOR OUR

ELDERLY, I RECOMMEND A \$4.6 MILLION EXPANSION OF OUR "ALTERNATIVE CARE" PROGRAMS AND OUR ADULT PROTECTIVE SERVICES, TO AVOID, WHENEVER POSSIBLE, PLACEMENT OF OLDER PEOPLE IN COSTLY NURSING HOMES. ALL OLDER PEOPLE WHO ARE ABLE DESERVE THE OPPORTUNITY TO REMAIN SECURE AND INDEPENDENT IN THEIR OWN HOMES AND COMMUNITIES.

AGAIN, THE DETAILS REGARDING ALL THESE INITIATIVES ARE SET FORTH IN THE "AGENDA FOR PROGRESS" BOOKLET, AND I ENCOURAGE YOU TO REVIEW THEM CAREFULLY.

CRIME IS A MENACE TO ALL PARTS OF OUR SOCIETY. IT KNOWS NO SOCIAL, ECONOMIC, RACIAL OR GEOGRAPHIC BOUNDS. WE MUST DEAL FIRMLY AND QUICKLY WITH CRIMINALS, AND WE MUST KEEP THE DANGEROUS ONES BEHIND BARS WHERE THEY BELONG. TO DO THAT, WE MUST HAVE MORE PRISON SPACE. THE STATE PRISON POPULATION IS ALREADY 2,000 INMATES OVER DESIGN CAPACITY AND IS GROWING BY 100 PER MONTH.

MY HIGHEST PRIORITY TO FIGHT CRIME IS ADDITIONAL SPACE FOR OUR DANGEROUSLY OVERCROWDED AND OUTMODED PRISON SYSTEM. THERE IS ONLY ONE PRACTICAL WAY TO ACCOMPLISH THAT GOAL: BY APPROVAL OF THE \$225 MILLION BOND ISSUE I DISCUSSED EARLIER.

THE ACCELERATED BOND ISSUE WILL ALLOW US TO CONVERT THE FARMINGTON STATE HOSPITAL INTO AN 1,100-BED MEDIUM SECURITY PRISON AND AT THE SAME TIME BUILD NEW AND BETTER MENTAL HEALTH FACILITIES IN FARMINGTON AND ST. LOUIS. IT WILL ALSO ALLOW US TO COMPLETE 80 NEW BEDS AT THE BIGGS FORENSIC UNIT AT FULTON STATE HOSPITAL AND CONTINUE WORK ON A 250-BED

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DIAGNOSTIC PRISON COMPLEX NEAR THE FULTON STATE HOSPITAL. AND, AS YOU KNOW, THE FIRST \$75 MILLION BOND ISSUE WILL ALLOW US TO CONVERT THE BOONVILLE TRAINING SCHOOL FOR BOYS INTO A 500-BED MINIMUM SECURITY PRISON. THESE PROJECTS REPRESENT AN INCREASE OF NEARLY 1,900 PRISON BEDS. THESE 1,900 BEDS CAN BE ADDED AT ABOUT ONE-HALF THE COST, AND IN ABOUT ONE-HALF THE TIME, REQUIRED TO BUILD AN ENTIRELY NEW PRISON OF ONLY 500 BEDS.

OTHER CRIME-FIGHTING MEASURES ARE ALSO IMPORTANT. WE MUST CONTINUE OUR HEAD-ON ATTACK TO STOP DRUNK DRIVING. WE MUST ADOPT A "BILL OF RIGHTS" FOR THE OFTEN-FORGOTTEN VICTIMS OF CRIME. WE MUST ELIMINATE THE LOOPHOLES IN THE SO-CALLED "INSANITY DEFENSE." AND, WE MUST STRENGTHEN AND IMPROVE THE STATE HIGHWAY PATROL BY ESTABLISHING A DIVISION OF DRUG AND CRIME CONTROL AND BY IMPROVING HIGHWAY PATROL SALARIES.

THESE, IN BRIEF, ARE MY PROPOSALS TO RESPOND TO FLOODS AND HAZARDOUS WASTES, STRENGTHEN STATE CASH MANAGEMENT, CREATE JOBS NOW, IMPROVE EDUCATION, HELP OUR CHILDREN AND ELDERLY, INCREASE REVENUE COLLECTIONS AND FIGHT CRIME. TAKEN TOGETHER, I BELIEVE THEY DO INDEED PRESENT AN "AGENDA FOR PROGRESS" IN MISSOURI FOR 1983 and BEYOND.

LET ME CONCLUDE BY MENTIONING A POINT WITH WHICH I BEGAN. I HAVE INDEED BEEN BENEFITTED GREATLY BY THE GOOD ADVICE OF MY COLLEAGUES WHO LEAD AND SERVE IN THE GENERAL ASSEMBLY. BUT THERE ARE TWO PIECES OF ADVICE WHICH I HEAR FAR TOO OFTEN, AND WITH WHICH I DISAGREE COMPLETELY.

THE FIRST IS THAT WE SHOULD HAVE "NO NEW PROGRAMS" IN STATE GOVERNMENT SIMPLY BECAUSE THE BUDGET IS TIGHT.

WHO AMONG US GENUINELY BELIEVES THAT EVERYTHING GOVERNMENT IS DOING TODAY IS USEFUL SIMPLY BECAUSE GOVERNMENT STARTED DOING IT DOZENS OF YEARS AGO? I CERTAINLY DO NOT.

TO THE CONTRARY, I BELIEVE HARD TIMES REQUIRE US TO TAKE A CAREFUL LOOK AT ALL GOVERNMENT PROGRAMS AND ELIMINATE THOSE THAT ARE LEAST USEFUL. I ALSO BELIEVE THAT OUR DYNAMIC AND COMPLEX SOCIETY REQUIRES THAT WE ADOPT NEW PROGRAMS TO MEET NEW NEEDS. SHOULD WE IGNORE OUR CURRENT DIOXIN CRISIS JUST BECAUSE WE DID NOT FACE THAT CRISIS 20 YEARS AGO? SHOULD WE NOT TRY TO CREATE JOBS NOW JUST BECAUSE THERE WAS NO RECESSION 20 YEARS AGO? I THINK NOT. NEW TIMES AND NEW PROBLEMS DEMAND NEW IDEAS AND NEW SOLUTIONS.

THE SECOND PIECE OF ADVICE WHICH I HAVE REJECTED SINCE I TOOK OFFICE IS THAT WE MUST INCREASE THE GENERAL STATE TAX BASE -- DESPITE THE RECESSION -- IF WE ARE TO MAKE PROGRESS IN MISSOURI. LAST YEAR I TOLD YOU THAT I SAW A FENCE DIVIDING MANY OF US IN STATE GOVERNMENT. ON ONE SIDE OF THE FENCE, I SAW THOSE WHO BELIEVE THAT WE CAN MAKE NO PROGRESS WITHOUT A GENERAL TAX INCREASE. I TOLD YOU LAST YEAR THAT I WAS NOT ON THAT SIDE OF THE FENCE. I HAVE NOT CHANGED SIDES.

I AM STILL ON THE SIDE WITH THOSE WHO KNOW THAT GOVERNMENT CAN DO A BETTER JOB WITH THE RESOURCES IT HAS. I AM ON THE

SIDE WITH THE PEOPLE OF MISSOURI WHO HAVE SAID AGAIN AND AGAIN .
THAT THEY WANT BETTER GOVERNMENT, NOT BIGGER GOVERNMENT.

THAT IS PRECISELY THE RESULT WE HAVE GIVEN THE PEOPLE
THESE PAST TWO YEARS. I HAVE ALREADY OUTLINED FOR YOU THE
ENORMOUS SUCCESSES -- THE HOST OF "NEW PROGRAMS", IF YOU WILL --
THAT WE HAVE DEVELOPED DESPITE THREE YEARS OF TIGHT BUDGETS.
I BELIEVE WE ARE DOING THE RIGHT THING AND THAT WE SHOULD KEEP
ON DOING IT.

I BELIEVE STATE GOVERNMENT MUST CONTINUE TO DO EXACTLY
WHAT THE FAMILIES OF MISSOURI MUST DO WHEN THEY RUN SHORT OF
MONEY: TIGHTEN OUR BELTS AND DO THE BEST WE CAN WITH WHAT WE
HAVE. AT A TIME WHEN SO MANY MISSOURIANS ARE STRUGGLING TO
GET BY WITH LESS, WE IN STATE GOVERNMENT CANNOT ASK THEM FOR
MORE.

WE HAVE A CHALLENGING YEAR AHEAD OF US. HARD WORK, GOOD
FAITH AND A POSITIVE ATTITUDE WILL DO MUCH TO INCREASE OUR
POSSIBILITIES FOR SUCCESS. TO THESE ENDS, I PLEDGE THE
BEST EFFORTS OF THIS ADMINISTRATION.

THANK YOU.